



**Schedule of Services
and Fee Guideline[©]
2022**

SCHEDULE OF SERVICES AND FEE GUIDELINE© 2022

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I. INTRODUCTION

The RMTAO's Schedule of Services and Fee Guideline has been developed exclusively for Registered Massage Therapists to assist in decisions surrounding the services offered and associated fees. While the document does not contain confidential information, it is not intended for public consumption, as it assumes the reader is a fully trained and Registered Massage Therapist in the presentation of information.

Information about the benefits of massage therapy, the services offered by Registered Massage Therapists and fee issues for the public are addressed in the RMTAO's publication *Understanding Massage Therapy Services and Fees*.

II. MASSAGE THERAPY SCOPE OF PRACTICE

The Scope of Practice of Massage Therapy is defined as follows:

“The practice of massage therapy is the assessment of the soft tissue and joints of the body, and the treatment and prevention of physical dysfunction and pain of the soft tissues and joints by manipulation to develop, maintain, rehabilitate or augment physical function, or relieve pain.”¹

Within their practice, massage therapists will use a variety of procedures and modalities to provide services within the scope of practice. “Massage” is a general term describing one or several treatment modalities, and is often mistakenly confused with the practice of massage therapy.

III. USE OF TITLE

The titles “Registered Massage Therapist” (“RMT”) and “Massage Therapist,” (“MT”) along with their equivalents in French (i.e., Massothérapeute)² are protected under Ontario legislation. This protection means that the titles may only be used by individuals who are registered with the College of Massage Therapists of Ontario, and it is a provincial offence for anyone else to do so.³

Individuals who are not registered with the College of Massage Therapists of Ontario (CMTO), and who are therefore unregulated, will frequently use the term “massage” in their businesses. To ensure that the public is aware that you are qualified as a health professional and that you are registered with the College, both the RMTAO and College recommend the use of the initials RMT when presenting your name to the public. You should also be prepared to direct patients to the CMTO Public Register and

¹ Massage Therapy Act, 1991, S.O. 1991, c.27, s.3

² Massage Therapy Act, 1991, S.O. 1991, c.27, s.7

³ Massage Therapy Act, 1991, S.O. 1991, c.27, s.7 and s.9

explain the information there upon request as a means of assuring them that they are accessing a health professional.

IV. LENGTH OF APPOINTMENTS OR SESSIONS

For the purposes of this guideline, a visit by a patient will be described as an *appointment* or a *session*. This description is purposefully generic so as to preclude any bias towards a patient visit being based on a specific period of hands-on treatment time.

To allow maximum flexibility for massage therapists, appointments or sessions are based on visits lasting 15, 30, 45, 60, or 90 minutes in length. An appointment or session will include a number of specific services within a designated time frame, some of which may not be massage therapy treatments. In order to avoid confusion on the part of therapists and patients, sessions should **not** be described as “treatments.”

V. DESCRIPTION OF SERVICES INCLUDED IN AN APPOINTMENT OR SESSION

An appointment or session will likely include the following components, each of which will vary in the amount of time required to complete, based on the severity of the condition(s) being treated, the length of the session and the complexity of the treatment:

- Intake/interview
- Initial assessment or re-assessment
- Treatment
- Self-care recommendations
- Charting and administration

A) INTAKE/INTERVIEW

An intake interview includes a full health history and should also include consultation with the patient to establish short-term and long-term goals for treatment. You must also obtain the patient’s informed consent. Consent must include a discussion with the patient about the following six elements:

- The nature of the treatment;
- The expected benefits;
- Risks and side effects;
- Alternative courses of action;
- Likely consequences of not having treatment, and;

- The patient's right to ask questions about the information provided and that assessment or treatment will be stopped or modified at any time at their request.⁴

B) INITIAL ASSESSMENT OR RE-ASSESSMENT

An initial assessment is the first assessment conducted upon intake of the patient into a practice. It will include a full health history and may include postural (static and dynamic) analysis, palpation and range of motion assessment, standard neurological and orthopaedic tests. Status forms and pain questionnaires may also be used to assess the condition. The initial assessment should also include consultation with the patient to establish short-term and long-term goals for treatment.

A re-assessment is an evaluation of the status of the patient conducted at subsequent appointments when indicated and/or previously agreed upon. It may involve the re-application of some or all of the components of the initial assessment as well as further consultation with the patient to determine satisfaction with progress and re-examination of short-term and long-term treatment goals.

C) TREATMENT

With patient consent, treatment is provided. The specific modalities used as well as the length of treatment time are not described in this Guideline and will depend on a number of factors, including:

- Complexity of the condition;
- The compensatory changes and structures compromised by the injury;
- The amount of time elapsed since the original injury;
- Compliance of the patient with recommended treatment frequency and self-care; and
- Pre-existing conditions.

The effectiveness of the treatment plan is monitored based on the following considerations:

- Positive change in the subjective symptoms and objective findings;
- Positive change in postural awareness, with improved mobility and function; and
- Increased autonomy and confidence of the patient in performing activities of daily living.

Frequency of treatment may decrease as the patient's condition improves. Patient motivation, physical ability and personal psychological concerns are all determinants of patient progress.

D) SELF-CARE RECOMMENDATIONS

Remedial exercises, postural awareness and hydrotherapy instruction should be recommended to the patient to enhance injury recovery and patient awareness.

E) CHARTING AND ADMINISTRATION

⁴ Standards of Practice, Standard of Practice: Consent, College of Massage Therapists of Ontario, January 2022

Regular note taking by the massage therapist in the patient's clinical record outlines the patient's progress. This is a mandatory component of the appointment or session⁵; therefore, no additional fees are recommended for charting the patient's progress and updating the treatment plan.

No charges should be billed for the following activities:

- a) Referral of the patient to or from any other business⁶
- b) Invoicing and receipting of the patient

In addition to charting patient progress in the patient's clinical records, it is also recommended that administrative procedures, including billing, collection of fees and receipting be included within the unit of time of the service, as these are important components of the therapist/patient relationship.

VI. TYPICAL FORMS OF COMPENSATION

While in the past most massage therapists operated their own independent practice in which they billed patients a set fee for an appointment or session, several alternate forms of compensation have developed. This section will detail some of the more common forms of compensation currently in use. These include:

- split percentage
- salaried (with or without benefits)
- salaried (with or without benefits) plus commission
- fee based on duration of appointment or session

These Guidelines are not intended to suggest that one form of compensation is better than any other form of compensation. There are too many factors to provide recommendations on actual compensation; however, recommendations will be provided as to the factors to be considered when negotiating compensation.

A) SPLIT PERCENTAGE

The split percentage approach is one where a clinic, practice, or spa owner will engage a massage therapist within their existing practice and offer compensation based on a part of the fees paid for the services provided by the therapist. For example, a 60/40 split may be used, where 60% of the fees paid by patients go to the RMT and 40% to the clinic.

It is not possible for these Guidelines to recommend a specific percentage split that is appropriate, as this will depend on the specifics of each massage therapist's situation. However, the Guidelines do

⁵ Standards of Practice, Guide to Record Keeping Requirements, College of Massage Therapists of Ontario, January 2022, and Ontario Regulation 544/94, made under the Massage Therapy Act, 1991, Section 11

⁶ Standards of Practice, Standard of Practice: Conflict of Interest, College of Massage Therapists of Ontario, January 2022

recommend that the following factors, presented in no specific order, be considered when negotiating a split percentage approach:

- Years of experience of the massage therapist
- Anticipated number of patients to be seen daily/weekly
- Access to an existing patient base and the size of the patient base
- Amount of marketing that therapists will have to undertake on their own, including advertising, business cards, appointment cards, etc.
- Whether supplies are provided by the clinic/practice/spa, including but not necessarily limited to:
 - massage tables
 - space
 - linen
 - towels
 - laundry
 - oils and lotions
 - booking (including reminders)
 - hydrotherapy supplies

It is worth noting that there are several variations on how a split percentage may operate depending on the organization. The following are commonly seen scenarios:

- The split percentage will change the longer the therapist remains with an organization; for example, it may begin at 60/40 and after a period of time move to a 70/30 split.
- The split percentage will vary after a specific billable amount is met, that is, the split may change from 60/40 to 70/30 after an agreed amount is billed per month.
- The split percentage may include a specific monthly cap, that is, a 60/40 split becomes 100/0 after a cap to be paid to the organization is met.

Nonetheless, the split percentage form of compensation still uses the typical fee for service model, where the fee is based on the duration of the appointment or session.

B) SALARY (WITH OR WITHOUT BENEFITS)

While not as prevalent as a split percentage or an independent practice that rents space, a newer compensation approach is a salaried position. In this approach, a massage therapist is placed on an annual salary that is paid in weekly or bi-weekly installments. This is similar to many office employees. Compensation is negotiated by the massage therapist, and while a specific salary cannot be recommended, these Guidelines do recommend that the following factors be considered:

- Years of experience of the massage therapist
- Hours of work to be provided per week
- Number of patients to be seen weekly or daily

- Other non-massage duties to be performed
- Whether supervision of others is required within the practice (other RMTs, other professionals, or other staff)
- Whether other benefits are provided (see point (D) below for details)

When negotiating a salary position it is also recommended that a clear employment contract be established and signed and that the contract clearly outline when a salary review will be undertaken, either on a 3, 6 or 12 month basis, and whether salary is automatically indexed against the Consumer Price Index for the region.

C) SALARY (WITH OR WITHOUT BENEFITS) PLUS COMMISSION

The salaried approach as described in the preceding section is sometimes varied when a commission is included. By definition, a commission is a “payment to an agent for selling goods or services.”⁷ Massage therapists provide a service and often sell products to patients.

The RMTAO accepts that a massage therapist might receive a commission for massage therapy services provided, in addition to a set base pay, as a means for an organization to provide an incentive to see more patients. Essentially, this is a pay-for-performance model and does not breach any regulatory requirements. The RMTAO does not recommend that a massage therapist enter into an arrangement based solely on a commission.

The second scenario involving commissions is one where the massage therapist is paid a commission for the sale of a product to a patient. The RMTAO strongly recommends that massage therapists avoid this type of commission. In receiving a commission from the sale of a product, it is likely to be perceived that the therapist is recommending that specific product in order to augment personal compensation, which would constitute a conflict of interest. If the RMT does not disclose their personal or financial interest in the product they are recommending and does not advise the patient that they may obtain a suitable alternative product elsewhere, this is a conflict of interest⁸. It is professional misconduct for an RMT to practise when in a conflict of interest.⁹

Commissions based on the provision of services are becoming increasingly common while commissions based on the sale of products tend to be encountered more frequently in some spa and cruise ship environments.

D) BENEFITS

When negotiating any kind of compensation, the inclusion of “other benefits” should be considered. Massage therapists tend to view pure financial compensation as the key determinant; however, there

⁷ Oxford Dictionary, Oxford University Press, 2002.

⁸ Standards of Practice, Standard of Practice: Conflict of Interest, College of Massage Therapists of Ontario, January 2022.

⁹ Ontario Regulation 544/94, made under the Massage Therapy Act, 1991, Section 26, paragraphs 11 and 17.

are personal income tax implications. The higher the salary, the more in personal income tax an individual will pay the government. By using other benefits, massage therapists can increase compensation without increasing their personal income tax.

There are two types of benefits: taxable and non-taxable benefits. Taxable benefits mean that you must pay income tax on the value of the benefit. For example, if dry cleaning is included as a benefit (assuming an individual is in the 20% tax bracket and that they use \$1,000 annually), tax would be paid on \$200.00 of the benefit. That means that a savings of \$800 was achieved by having the employer pay. Taxable benefits include such things as:

- Mileage
- Parking
- Dry cleaning/Laundry (external to the clinic/spa)

Non-taxable benefits are items that are considered typical costs for employers in their relationship with employees and do not affect the taxes paid by the employee. Non-taxable benefits may include such things as:

- Services from the clinic/spa itself (where the spa does not pay an extra fee for them)
- Payment of liability insurance fees
- Payment of College Registration dues
- Payment of RMTAO membership dues
- Continuing education costs
- Employment Insurance
- WSIB benefits

While the idea of seeking benefits may seem complex, in practice it is not, since it is the responsibility of the employer to provide employees with an accurate T4 annually. That form will include summaries of all money paid and taxable benefits provided.

A very simple approach, however, is to seek basic benefits such as:

- Payment of liability insurance fees
- Payment of College Registration dues
- Payment of RMTAO membership dues
- Continuing education costs

E) FEE FOR SERVICE BASED ON APPOINTMENT/SESSION DURATION

The fee for service model is the most common form of compensation for a massage therapist as an independent health care practitioner. Under this model, massage therapists establish a Usual and Customary Fee Schedule in which they establish the fees patients will be expected to pay for a specific appointment or session of a set duration.

Most commonly, therapists use the following pre-established appointment or session lengths:

- 15 minutes
- 30 minutes
- 45 minutes
- 60 minutes
- 90 minutes

VII. RECOMMENDED FEES FOR APPOINTMENTS AND ANCILLARY SERVICES

It bears repeating that when establishing a fee for an appointment or session of a set duration, the services provided during that appointment or session are as outlined in Section V above. In other words, billable time should not be confused with treatment time, that is, the amount of time required to provide a specific treatment (modality or series of modalities).

A) APPOINTMENT/SESSION FEES

For massage therapists who are operating on a billable time model, the following is the recommended hourly fee schedule:

Appointment/Session Duration	Fee (HST excluded)	Fee (HST included)
15 minutes	\$40.00	\$45.00
30 minutes	\$58.00	\$66.00
45 minutes	\$76.00	\$86.00
60 minutes	\$94.00	\$106.00
90 minutes	\$130.00	\$147.00

Variations on these rates may be instituted. Please refer to the Discounts, Package Deals and Gift Certificates sections below.

B) ANCILLARY GOODS AND SERVICES

Under this model, there may be additional fees charged for ancillary goods and services. Ancillary services are services that are provided in or in support of the practice of massage therapy but that are either not included within the appointment/session fees described above or that can be provided as a service independently.

The following is the recommended fee schedule for services related to or required during the provision of services, but which are provided outside of an appointment or session. For example, when asked to conduct an assessment of a patient as a second opinion for the patient or another massage therapist, an initial assessment fee would be charged as listed below.

Assessment or Re-Assessment.....	\$106.00/hour*
Preparing a Report (progress or medical legal reports)	\$106.00/hour
Discharge Note.....	\$106.00/hour
Completion of Forms (where fees are not stipulated by Government Regulation)	\$106.00/hour
Verbal Consultation	\$106.00/hour
Review of Records (copying, transfer, or for court testimony)	\$106.00/hour
Review and Court Preparation Time.....	\$106.00/hour
Expert Testimony	\$106.00/hour
Pre-birth visit(s) to obtain health history, conduct assessment and provide practical support and information, in the course of providing labour support	\$106.00/hour
Labour Support by phone or email (unlimited).....	no charge
Half-day rate (court appearance, corporate outcalls, etc.)	\$424.00
Full-day rate (court appearance, corporate outcalls, etc.)	\$848.00
Unlimited in-person support for the duration of labour, and around two hours following (half day).....	\$424.00
Unlimited in-person support for the duration of labour, and around two hours following (full day).....	\$848.00
Photocopying of Records	at cost
Transfer of Records (by mail or courier)	at cost
Expenses	at cost
Supplies	at retail
Kilometres Travelled	\$0.61 per kilometer

** For ease of reference, the HST-included approach is used; however, this fee should be adjusted when using an HST-excluded model.*

VIII. USUAL AND CUSTOMARY FEES

Massage therapists are required to post in their offices/clinics their Usual and Customary Fee Schedule. In its simplest form, the fee schedule will duplicate the format outlined in Section VI. (E) above.

It is also recommended that a simple one-page document that provides not only the details of the posted fee schedule, but also the list of ancillary services and related fees in Section VII above, be made available to all patients.

Massage therapists are also required to ensure that patients are aware of the fee that they will be required to pay and, if it varies from the usual and customary fee, why it will vary. Agreement of the patient to the fees to be charged is required. If there is any variation in the usual and customary fees, this variation and the rationale for it should be documented in the patient's health record.¹⁰

IX. TIPPING (GRATUITY)

Whether to accept a tip or gratuity is a growing question among massage therapists. Neither the College nor the RMTAO have taken a position for or against massage therapists accepting tips or gratuities.

It is recommended that massage therapists use their own discretion when deciding whether to accept a tip or gratuity from a patient. Your decision may depend on the environment in which you are providing service, the type of practice in which you are operating (a spa as opposed to a medical clinic), the type of image you wish to portray to your patients, the expectation and intention of the patient and whether they may become offended by a decision to decline a tip.

Regardless of your decision, it is not recommended that a tip or gratuity be sought or required, but that you be prepared for situations where one may be offered and establish how to diplomatically address the subject with your patients.

X. SETTING CLINIC/PRACTICE HOURS AND PREMIUMS

It is recommended that massage therapists set their regular clinic or office hours as would any regulated health professionals. These are the hours during which you would customarily see patients and provide services. Your clinic or practice hours might not be the typical office hours of another business, but rather, the periods of time during which you would normally prefer to see patients.

Setting your clinic or practice hours is almost as important as setting your usual and customary fees, as it establishes the baseline for your practice. When a patient asks that you operate outside of the baseline or customary hours for your practice, you are then in a position to charge a premium for the provision of services during non-practice hours.

For example, if you customarily do not work on Sundays but are asked and agree to do so for a patient, it is recommended that you note for them that a premium applies to services offered outside of your customary practice hours.

A premium of between 30% and 50% is recommended depending on the specific hours being requested.

¹⁰ Standards of Practice, Standard of Practice: Fees and Billing, College of Massage Therapists of Ontario, January 2022.

At all times, massage therapists are required to have a Schedule of Fees displayed in their clinic and must ensure that a patient is aware of and has agreed to these fees before the provision of services. This includes any ancillary fees and premiums.

XI. RECEIPTS

The College of Massage Therapists of Ontario has a clear policy on receipts. Massage therapists are required to be aware of this policy, adhere to it at all times, and update their receipts if the College changes the policy.

The following summary of the College's policy is provided in order to assist massage therapists; however, in the event that these Guidelines are incorrect or the College changes its policy, the College's policy takes precedence.

A) BASIC REQUIREMENTS OF ALL RECEIPTS

A financial record, which is required for each patient, must contain¹¹:

- the treatment and service provided;
- fees charged; and
- a copy or record of receipts, which must include:
 - date of appointment;
 - name of the patient;
 - name of RMT;
 - cost/fee for the treatment or service;
 - signature and registration number of the RMT; and
 - HST number (is applicable).

There are additional requirements depending on whether the service or product being provided is within the scope of practice or outside the scope of practice.

B) SCOPE OF PRACTICE

Only indicate "Massage Therapy treatment" and include the RMT's registrant number for products and services that are within the Scope of Practice of Massage Therapy. Receipts for products and services outside the Scope of Practice of Massage Therapy must indicate the product or service provided and must not refer to Massage Therapy.¹² When providing a service or product that is within the scope of practice of massage therapy, the receipt must follow the requirements outlined above.

C) SERVICES/PRODUCTS OUTSIDE THE SCOPE OF PRACTICE

¹¹ Standards of Practice, Guide to Record Keeping Requirements, College of Massage Therapists of Ontario, CMTO.

¹² Standards of Practice, Standard of Practice: Fees and Billing, College of Massage Therapists of Ontario, January 2022.

Ideally, if a member provides services outside of the massage therapy Scope of Practice, they will do so separately and distinctly from massage therapy treatment. Realistically, this may not always happen. As a result, the RMTAO recommends that the receipt for massage therapy services be equal only to that portion of the treatment that was within the Scope of Practice and that a separate receipt be issued for the services provided outside of the Scope of Practice.

D) RECEIPTS FOR GIFT CERTIFICATE PAYMENTS

When a gift certificate is purchased, the description of the service is “Gift Certificate” and the dollar amount paid is listed on the receipt. When the gift certificate is redeemed, a receipt for the dollar amount of the gift certificate is not issued. If the recipient of the massage wishes to receive a receipt, the dollar amount listed must be “gift certificate redeemed” with no dollar amount given.¹³

E) OTHER CONSIDERATIONS

When issuing receipts, also be sure to include a notation that:

- it is a receipt for a cancelled or missed appointment when this is the case
- it is a duplicate receipt when replacing a lost receipt, which notes the original date of services

XII. HARMONIZED SALES TAX (HST)

Some massage therapists are required to levy the Harmonized Sales Tax (HST) and some are not. Those that must charge HST are referred to as a “massage therapist HST-registrant” in this section.

The Harmonized Sales Tax (HST) is a value added tax that is levied by the Government of Canada on behalf of both the Ontario and Canadian Governments. The tax is collected and remitted by a massage therapist HST-registrant to the Government of Canada. Essentially, a massage therapist who is an HST-registrant is collecting a tax for the Government; however, the massage therapist is not being taxed.

While many massage therapists may not believe it is appropriate that HST be applied to massage therapy services, the Government has ruled that these services are subject to the Goods and Services Tax and therefore are subject to the Harmonized Sales Tax; HST must be charged to the patient, collected and remitted by massage therapists who are HST-registered. The current rate of HST is 13% of the value of the goods or services.

This section of this Guideline will provide some basic information about the HST. It is highly recommended that a massage therapist who is about to become registered seek the advice of an accountant prior to becoming HST-registered.

¹³Standards of Practice, Standard of Practice: Fees and Billing, College of Massage Therapists of Ontario, January 2022.

For more information, including information about the HST exemption process, please review the *Harmonized Sales Tax (HST) Guideline for Ontario Massage Therapists*, available from the RMTAO.

A) WHO MUST REGISTER FOR HST

You must become HST-registered when your gross billings (earnings) in a 12-month period meet or surpass \$30,000. This is very easy to determine. Each month when you calculate your billings for the month, the amount of the 11 previous months is added to it to determine your gross billings (earnings) in the 12-month period. While this is customarily referred to your “annual earnings,” HST-registration does not wait until the end of the fiscal or calendar year, but is determined by any continuous 12-month period. This only applies if you are self-employed.

B) IMPACT ON YOUR FEES

If you are HST-registered, you may elect to post your fees as HST included or as HST added; however, your receipts must indicate the specific amount of HST (in which case it is identified as a separate line item). Your HST number MUST appear on your invoices and receipts. It is a Canada Revenue Agency requirement that even if you elect to charge your fees as HST-included, when a fee exceeds \$30, the HST must be itemized on the invoice.

C) MULTIPLE PRACTICE ENVIRONMENTS

Many massage therapists work in several different practice environments at any given time. For example, a massage therapist may work part-time in a clinic and part-time out of his or her home. Whether you charge HST in each situation will depend on your billing arrangement in that situation.

If you are HST-registered but also on salary as an employee in an organization, you do not charge HST on that salary nor do you remit a payment for the portion of your earnings paid as an employee.

When working in a clinic, if you invoice the patient directly and your total earnings are over \$30,000, you must charge, collect and remit HST even if the clinic is not registered. If the clinic is HST-registered but you are not registered, and you bill the patient directly, you do not charge HST.

Often, clinics are registered for HST and they collect fees from your patients. They will charge HST. If you are registered for HST, you will charge the clinic HST for the services you provide them, unless you are a salaried employee.

HST can also apply differently in a split percentage compensation arrangement based on a variety of factors. For more information, please review the *Harmonized Sales Tax (HST) Guideline for Ontario Massage Therapists* and *HST in Split Percentage Scenarios*, available from the RMTAO.

XIII. OFFERING DISCOUNTS, PACKAGES OR INCENTIVES

The question continually arises as to whether a discount can or should be offered by massage therapists. While the intent of this Guideline is to assist massage therapists in the process of setting their own fees, it is not intended as a means to set each individual therapist's fees. When considering whether to offer discounts, massage therapists must consider why they would want to do so and on what basis a fee would be discounted.

The College requirements regarding fees are outlined in the Regulations¹⁴ made under the Massage Therapy Act and under the Standards¹⁵ set by the College. Fees must:

- Be communicated to the patient prior to providing services
- Be itemized on a receipt, if requested by the patient or a person or agency paying for the services
- Be posted in a visible location in the practice setting
- Not differ from the posted fee without noting the rationale and difference in the patient's health record, and without the prior acceptance of the patient
- Not be excessive or unreasonable
- Not be reduced for prompt payment

Provided these conditions are met, massage therapists can set a fee schedule that varies based on established criteria provided:

- The fee is based on logical and clearly identifiable criteria
- The original fee is posted in the clinic
- The patient is briefed on the fee and why one fee is being charged rather than another, and has accepted this change
- The patient is permitted to ask questions about the fees generally as well as about the specific fees being charged
- The fee change and rationale behind it is noted in the patient's health record

As noted above, massage therapists must post their usual and customary fees and provide information to their patients.

NOTE TO READER: The RMTAO does not recommend that a massage therapist establish a fee schedule that varies depending on an identified group (i.e., seniors, students etc.). The services being provided by the profession are health services and, as such, overutilization should not be promoted by individuals. Additionally, instituting such policies in a clinic may result in a "negotiation" of fees between therapists and patients that may discredit the profession.

¹⁴ Ontario Regulation 544/94, Sections 30 through 40

¹⁵ Standards of Practice, Standard of Practice: Fees and Billing, College of Massage Therapists of Ontario, January 2022.

XIV. GIFT CERTIFICATES

When a gift certificate is purchased, include the description of the service as “Gift Certificate” and the dollar amount paid on the receipt. When the gift certificate is redeemed, a receipt for the dollar amount of the gift certificate cannot be issued. If the recipient wishes to receive a receipt, then the dollar amount listed must be “gift certificate redeemed” with no dollar amount given.

A) IMPORTANT FINANCIAL CONSIDERATIONS WHEN OFFERING GIFT CERTIFICATES

Although many massage therapists treat gift certificates as cash, under generally accepted Canadian accounting principles they should be handled differently. First and foremost, when selling gift certificates, a register of all gift certificates should be maintained by the therapist. This register will track the gift certificate number, value, issue date, date of expiration, as well as the date and patient name at the point of redemption. Caution must be used when issuing a receipt for a purchase of a Gift Certificate. Receipts for the purchase of a gift certificate must clearly indicate that the service provided was a purchase of a gift certificate. As such, the receipt cannot be used for redemption with health benefit plans.

According to generally accepted Canadian accounting principles, when a receipt is purchased, the value of the receipt should be placed on the “balance sheet” of the therapist’s business as a liability and the equivalent amount placed in the “bank account.” This is because the money has been received for the certificate, but the service has not been provided. In addition, when you sell a gift certificate, HST is not charged or remitted. HST is only recorded and remitted once the gift certificate is redeemed for services.

At the time the services are rendered, the amount of the gift certificate is removed from the liabilities on the balance sheet and placed in the earnings for that fiscal year.

When a gift certificate expires, the value of the certificate should be received as “unearned revenue” as opposed to massage therapy or other services provided. This separates the value of the gift certificates, allowing them to be easily reversed if necessary (which may happen if the holder of the gift certificate seeks services after the date of expiration and the therapist decides to honour the certificate).

It is recommended that a gift certificate be “retired” or removed from the balance sheet at the end of the fiscal year following the date of issue. For example, a massage therapist who has a fiscal year end of December 31 and who issues a certificate on June 1, 2021, would retire that gift certificate (remove it from the liabilities on the balance sheet) at the end of December 2022. When a gift certificate is retired, this should be noted on the massage therapist’s Gift Certificate Registry.

B) LEGISLATIVE PROHIBITIONS AND RECOMMENDED ALTERNATIVE APPROACHES

The Ontario Government passed legislation that took effect on October 1, 2007 restricting the use of expiration dates on gift cards. In a news release from May 2007, the Government indicated that:

“Cards and certificates that are for a specific good or service from a retailer (e.g. buying a massage) are exempt from the new regulations. But, if a consumer buys a gift card or certificate for a specific cash amount from that retailer those gift cards/certificates are covered by the new regulations.”¹⁶

As a result, if your gift certificate entitles the bearer for a massage from you, with no fee stated, an expiration date would be acceptable; however, if the gift certificate carries a cash value, for example \$100.00, to be used towards massage therapy, then a date of expiration is not permitted.

Rather than adding a date of expiration, therapists should consider putting alternate wording on the gift certificates that carry a cash value redeemable towards massage therapy treatment. An example of alternate wording might be using a “Recommended to be Used By” date. The principle behind expiration dates is to encourage that they be used rather than saved and the date typically induces the holder to use them. After the date has passed, most people will dispose of the certificate. The alternate wording encourages their use without contravening the Provincial legislation.

Given that the date is not an expiration date, the holder could seek to redeem it after the massage therapist has retired it or removed it from the liabilities on the balance sheet. If this occurs in the same fiscal year as the retirement, the transaction can be reversed. If it occurs in a subsequent fiscal year (using our example, in January 2023), the value of the certificate can be placed in your profit and loss as a miscellaneous expense with a notation as to why it occurred. This has the effect of counterbalancing the unearned revenue declared in a previous fiscal year.

C) GIFT CERTIFICATES AND CHARITABLE DONATIONS

Many massage therapists will provide gift certificates to charities in return for charitable donation tax receipts that are used for income tax purposes. Others will also provide massage therapy treatments to charities who pay for the services through a Charitable Tax Receipt rather than cash.

While both of these are permitted by Canada Revenue Agency, massage therapists often do not meet the requirements of the legislation. When services are donated and a tax receipt is given rather than payment, in order to claim the donation on their income tax form, the services must also have been declared as revenue.

For example, a massage therapist agrees to provide Charity XYZ massage therapy services for their half-day event and rather than receiving payment of \$424.00 for the half day, the massage therapist receives a Charitable Tax Receipt in this same amount. In order to use the tax receipt, the \$424.00 (HST excluded) must be accounted for in the calculation of annual revenue. Using the numbers below as an example, this is how total earnings should be calculated including charitable giving.

Earnings before charitable giving: \$40,000

¹⁶ News Release May 29, 2007, Backgrounder: Eliminating Gift Card Expiry Dates, Ontario Ministry of Government Services

Charitable giving	<u>\$ 5,000</u>
Total earnings	\$45,000

This will allow the massage therapist to use the Charitable tax receipts as a deduction from their income tax.

Many massage therapists do not include the income generated from charitable giving when calculating their gross income and yet still use the Charitable Tax receipts. This would be disallowed upon an audit by Canada Revenue Agency and would result in potentially added tax to be paid and a penalty.

XV. CANCELLED AND MISSED APPOINTMENTS

Massage therapists need to have a clear policy on cancelled and missed appointments and this policy should be included on the posted fee schedule and clearly articulated to patients, along with all other fee information.

The RMTAO recommends the following as a guideline for your policy on cancellations and missed appointments.

A) MISSED APPOINTMENTS

The RMTAO recommends that massage therapists not charge a patient for the first time they miss an appointment; however, the patient should be informed that in future full payment of the value of the visit will be required for appointments that are missed.

When charging patients for missed appointments, massage therapists are reminded that the College requires that a receipt clearly indicate that the charge is for a missed appointment.

The College also requires making any penalties for missing or cancelling appointments public and known to the patient in advance of the first appointment. You are also required to inform the patient of any changes to your policy after the first appointment.¹⁷

B) CANCELLED APPOINTMENTS

The RMTAO recommends that the policy established by massage therapists clearly articulate that cancellation is required a minimum of one business day in advance of the scheduled appointment. Appointments that are cancelled with less than one business days' notice should be treated as a missed appointment and handled accordingly.

¹⁷ Standards of Practice, Standard of Practice: Fees and Billing, College of Massage Therapists of Ontario, January 2022.

XVI. THIRD PARTY PAYMENT PROGRAMS

There are a variety of insurance payment programs that massage therapists may encounter in their practice. Each program has very specific terms and conditions that apply and, therefore, cannot reasonably be covered within this Guideline. Instead, this Guideline will provide a brief overview of each and identify additional resources where you may find more information.

A) ADDING A FEE FOR DIRECT BILLING

Before addressing specific programs, there is a question of whether a massage therapist should or can add a fee for directly billing an insurer. While it is recognized that payment from a third party payment program may often take longer to collect, the RMTAO is **not recommending** that a fee be added when charging an insurance-based program directly. Adding a fee for direct billing is also not commonly done so may appear out of touch with the overall market.

Therapists are also reminded that, in the event that a fee is added to offer direct billing, it is a requirement under the Massage Therapy Act that the patient be informed of the fee prior to the provision of treatment.

B) AUTO INSURANCE SYSTEM

The auto insurance system is a complex process that requires the completion of a series of online forms (Ontario Claims Forms) and the application Guidelines for specific soft tissue injuries.

Information about the Auto Insurance system may be obtained from the following sources:

- HCAI.ca – Health Claims for Auto Insurance
- HCAIInfo.com – The Health Claims for Auto Insurance Information Resource Site
- FSRAO.ca – The Financial Services Regulatory Authority of Ontario, the regulator of the insurance sector in Ontario

C) WORKPLACE SAFETY AND INSURANCE BOARD (WSIB)

The intent of the Workplace Safety and Insurance Act is to provide benefits to individuals who sustain an injury by accident arising out of, or in the course of, his or her employment.

In order to provide services under the WSIB, you must first be registered and have a provider number for the program. To obtain a provider number, visit www.wsib.ca.

WSIB operates under Programs of Care. The objectives of the Programs of Care are:

- to assist the worker in returning to pre-injury function and quality of life
- to facilitate a safe and sustainable return to work

- to achieve a high level of satisfaction (by patients, health care providers, and employers) with the quality of care.¹⁸

There are specific restrictions on the timing of care and the manner in which payment can be received. Invoicing and payment are all conducted electronically. For more information, please contact the WSIB or visit www.wsib.ca.

D) EXTENDED HEALTH CARE PLANS

An extended health care plan (EHCP) is a group benefit program that is developed between an insurance company and an organization representing a group of individuals, customarily employees, union members or members of an association. Although these programs will have a large number of commonalities, each program can be tailored by the group organization to meet the needs and associated funding available for the program.

There are two important trends of which massage therapists should be aware. The first is a physician referral requirement by which an individual covered by the EHCP cannot obtain coverage for services from a massage therapist without a referral from a physician. The second trend is a per-visit cap whereby the plan will only cover fees of a massage therapist to a maximum amount per visit. Although the RMTAO has and will continue to object strenuously to these two restrictions, ECHPs are an agreement between two independent organizations and are not restricted by the Financial Services Regulatory Authority of Ontario.

In addition to these restrictions, most ECHPs also apply a cap on the amount of rehabilitation services (services of a chiropractor, massage therapist and physiotherapist) that they will cover per benefit year. Massage therapists are cautioned to be aware of the specific conditions applied by a patient's ECHP.

As noted above, many massage therapists will invoice third party insurers directly. It is recommended that massage therapists ensure that each patient is aware of the fee for the services and that any difference between insurance coverage and fees applied will be the patient's responsibility to cover.

XVII. FEES AND THE COURTS

A) BEING CALLED TO TESTIFY

Massage therapists may be called upon by the courts to provide their expertise or particular knowledge of a patient's health. A massage therapist may be called as a witness for either party to the dispute. Regardless of whether it is your patient or another party who seeks your testimony, the RMTAO recommends that you be issued a "summons to witness" or subpoena. This ensures that any information you deliver during the course of the proceeding is not subject to the disclosure provisions of the Personal Health Information Protection Act, 2004.¹⁹ When a subpoena has not been issued,

¹⁸ WSIB...the Next Opportunity. *Massage Therapy Today: Putting Knowledge into Practice*. RMTAO, March 2007, p.

¹⁹ Personal Health Information Protection Act, 2004, S 43(1)(g)

disclosure of personal health information must be consistent with the requirements of the Personal Health Information Protection Act and consent is likely required.

The subpoena will require you to attend a hearing at a certain place and time and remain there until you testify. If you do not attend, you may be held in contempt of court and you face a potential fine or imprisonment, or both. Given that court testimony generally takes extended periods of time, there is an impact on your practice when being called to testify. The RMTAO recommends that when a subpoena is received, a massage therapist contact the lawyer who has required that it be issued to make specific arrangements to lessen the impact on your practice.

Unless specific arrangements are made with the lawyer that required the issuance of a subpoena, fees cannot be charged for the time required to attend the court hearing and provide testimony.

B) MEDICAL LEGAL REPORTS

Typically, the preparation of the medical legal report is not the result of a subpoena; therefore, fees can and should be charged. The process may require a substantial amount of time both to review and to prepare the report. As a result, the RMTAO recommends that the fee charged be based on the length of time devoted to the review of both the information and clinical record and writing the report. The RMTAO recommends that the fee outlined in Section VII be used.

Obtaining the agreement of the requesting party to the hourly fee being charged is highly recommended. If possible, an estimate of the cost based on the complexity of the case can be provided; however, massage therapists should state clearly that this is an estimate only and the actual amount of time required is what will be billable. It is advisable to ensure that this agreement is between yourself and legal counsel and that the agreement clearly indicates when payment is required. While in some instances legal counsel will request that your fee be paid from “proceeds of the action” this is not recommended, as (a) it may be years before payment is received and (b) if there are no proceeds, that is if the case is lost, the massage therapist might not get paid.

XVIII. FEES FOR THE PRODUCTION OF RECORDS

Under the Massage Therapy Act and the Standards of Practice of the College of Massage Therapists of Ontario, a massage therapist is required to maintain a clinical record for all patients for a minimum of 10 years.²⁰

A patient may ask that a copy of all or part of their clinical record be provided. Failure to do so is professional misconduct; however, it is not professional misconduct to require the payment of a reasonable fee for the production of the record.

²⁰ Standards of Practice, Guide to Record Keeping Requirements, College of Massage Therapists of Ontario, CMTO.

The RMTAO recommends that the application of the fee be reasonable and in keeping with the intent of the Personal Health Information Protection Act, that is, the personal information contained in the record belongs to the patient.

Section VII includes a recommended fee of “at cost” for the production of the record. That means that the specific costs of photocopying the record should be charged to the patient. In addition, the time required to review and copy the record, either by the massage therapist or an individual employed by the massage therapist, is also a billable charge.

It is always recommended that fees be agreed to in advance in order to ensure payment of fees.

XIX. CHARGING INTEREST AND COMPOUND INTEREST

While most massage therapists require payment immediately following the provision of services, in some situations invoicing will be submitted with payment to follow. In so doing, it is recommended that massage therapists include specific provisions on invoicing that allow for interest to be charged in the event that payment is not received.

There are specific legislative frameworks for the charging of interest. For example, unless the invoice states otherwise, the maximum amount of interest permitted by the courts will be 5% per year²¹. If the invoice indicates a higher annual amount, the maximum interest per year is 60%²². This leaves a wide area of discretion for providers.

Because interest relates back to the usual and customary fees charged by a massage therapist, it is necessary that all patients be aware of payment due dates and, in the event that payment is not received or is late, the rate at which interest will be charged.

The RMTAO recommends that all invoicing include the following indications:

- That payment is due upon receipt of the invoice (as opposed to within 30 days or longer)
- That interest will be charged, based on the date of the invoice, in the amount of 2% per month, and 24% per year

Massage Therapists are reminded that it is contrary to the College Fees and Billing Standard to offer a fee reduction for prompt payment of invoices.

A) INTEREST VS. COMPOUND INTEREST

When indicating interest charges on an invoice, be careful to clearly stipulate whether you are charging interest monthly or whether interest is compounded monthly. In doing so, you are indicating whether

²¹ Interest Act, 1985, S.3

²² Criminal Code, 1985, S. 347(1)

you are charging interest on the unpaid interest. The table below illustrates the difference between the two types of interest and uses an outstanding balance of \$100 and interest of 2%.

Dates	Fee + Interest	Fee + Compound Interest
February 1 Services	\$100.00 + \$0.00 = \$100.00	\$100.00 + \$0.00 = \$100.00
March 1	\$100.00 + \$2.00 = \$102.00	\$100.00 + \$2.00 = \$102.00
April 1	\$102.00 + \$2.00 = \$104.00	\$102.00 + \$2.04 = \$104.04
May 1	\$104.00 + \$2.00 = \$106.00	\$104.04 + \$2.08 = \$106.12

In the centre column, because the massage therapist is only charging interest on the original fees for services, the interest charge remains the same as long as the balance remains unpaid. The outstanding balance simply grows by the interest rate.

In the right-hand column, because the massage therapist is charging compound interest, the interest charges escalate based on the new outstanding balance each month. This is how a credit card company or bank will charge you interest and is a best practice for business.

Of course, with small amounts of \$100.00, the difference is marginal. However, if the amount due is higher the numbers increase more dramatically and become punitive, which is the intent of interest, to provide an incentive to pay an outstanding debt owed to you.

XX. COLLECTING UNPAID FEES AND BAD DEBTS

There are a number of reasons why a fee charged for a service might not be paid by a patient. Massage therapists should make every reasonable attempt to recover those fees including:

- Follow-up invoices marked “past due” sent in an envelope marked “personal and confidential” to the last known address
- Attempts to contact the individual by telephone (be sure not to leave messages that breach the privacy rights of the individual)

All such attempts to follow up should be noted in the patient’s file for future reference.

Massage therapists cannot engage the services of an external collection agency. It is contrary to the regulations made under the Massage Therapy Act. Under no circumstances should an unpaid invoice for massage therapy be sold or outsourced to a collection agency.

The only recourse available to massage therapists for unpaid fees for services is to use the Small Claims Court system. When considering this option, massage therapists should be aware that:

- the limit of claims in Small Claims Court is \$35,000 (excluding interest and costs)
- a “Plaintiff’s Claim (Form 7A) must be filed to commence an action

- you do not need to be, although you are not prohibited from being, represented by a lawyer
- copies of supporting documentation (invoices, follow-up invoices, notes of conversations etc.) must be filed with the claim
- you must bring copies of your documents for everyone being served as a copy for yourself. Where a hearing is required, hard copies of all e-filed documents must be mailed or delivered to the court.
- You can file your claim online, by mail, or in person with the closest Small Claims Court office
- a fee of \$102.00 must be paid
- you can serve the claim yourself or hire your own process server or bailiff to serve the claim on the patient
- the patient has 20 days to reply to the Statement of Claim
- if a Statement of Defence is filed by the patient, you will be notified of the trial date by the Court office
- an additional fee of \$100.00 will be required to request a trial date.

For more information about submitting a claim in the Small Claims Court system, please visit https://www.attorneygeneral.jus.gov.on.ca/english/courts/guides/Guide_to_Making_a_Claim_EN.html

A) BAD DEBT

So what happens when you choose not to pursue an unpaid invoice to a patient? Under generally accepted Canadian accounting principles, the amount then becomes unrecoverable income, more commonly referred to as “bad debt.” Bad debt is an expense of your practice and is deducted from your total earnings **before** tax.

For example, if your total earnings were \$60,000 in a year and your practice expenses were \$30,000, your net earnings would be \$30,000 and it is on this amount that your personal income tax would be calculated. If \$1,000 of your earnings are not recovered, even if it occurs in the next fiscal (and taxation year), your expenses increase from \$30,000 to \$31,000, meaning your net revenue is now only \$29,000, which is the amount on which your personal income tax is calculated.

No one enjoys the idea of a patient not paying for the services that have been rendered; however, it is an unfortunate part of every health professional’s practice. As a result, it often becomes necessary to track situations where payment has not been received and “write off” that amount of revenue.

XXI. DISCLAIMER

The information contained in this Schedule of Services and Fees has been prepared by the Registered Massage Therapists’ Association of Ontario for the sole purpose of guiding massage therapists in both setting fees and interacting with patients, other health practitioners and organizations. It is a guideline only and does not establish mandatory fees to be applied by the profession.

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